
Name of Organization: Delta Institute

Type of Organization: Other

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Project Title: Economic Benefits of the Grand Calumet River Clean-Up

Project Category: Contaminated Sediments

Rank by Organization (if applicable): 0

Total Funding Requested (\$): 212,686 **Project Duration:** 2 Years

Abstract:

The Delta Institute proposes to conduct an assessment of the economic benefits of remediating contaminated sediments from the Grand Calumet River and Indiana Harbor and Ship Canal. This project will be conducted in partnership with the Grand Calumet Task Force, Purdue University- Calumet, and the Northeast- Midwest Institute. A calculation of the benefits of restoring these waterbodies will: 1) help leverage the local funds that will be needed to match federal dollars for sediment removal; 2) aid municipalities in planning efforts to maximize the benefits of the river clean-up; 3) illuminate the increased wealth that the remediation and restoration process will bring to the region and engage local stakeholders and the broader public in the river clean-up process. Working closely with the Purdue University-Calumet School of Management and the Grand Calumet Task Force, the Delta Institute proposes to conduct an initial scoping study to determine the most effective economic tools with which to measure benefits of sediment remediation. This scoping study will be followed by the full economic assessment. Similar economic valuations being conducted by the Northeast-Midwest Institute (NEMWI) in other Great Lakes Areas of Concern will help to guide the process, and close collaboration with the NEMWI will result in a boiler-plate for benefits of sediment remediation that will transfer across the region. In the final phase of the project, the Delta Institute and Grand Cal Task Force will conduct public outreach and education activities to inform community stakeholders about the results of the study and to assist local decision-makers with interpreting and using the data.

Geographic Areas Affected by the Project

States:

| | |
|---|---------------------------------------|
| <input type="checkbox"/> Illinois | <input type="checkbox"/> New York |
| <input checked="" type="checkbox"/> Indiana | <input type="checkbox"/> Pennsylvania |
| <input type="checkbox"/> Michigan | <input type="checkbox"/> Wisconsin |
| <input type="checkbox"/> Minnesota | <input type="checkbox"/> Ohio |

Lakes:

| | |
|--|------------------------------------|
| <input type="checkbox"/> Superior | <input type="checkbox"/> Erie |
| <input type="checkbox"/> Huron | <input type="checkbox"/> Ontario |
| <input checked="" type="checkbox"/> Michigan | <input type="checkbox"/> All Lakes |

Geographic Initiatives:

| | | | | |
|--|----------------------------------|--|--------------------------------------|---|
| <input type="checkbox"/> Greater Chicago | <input type="checkbox"/> NE Ohio | <input checked="" type="checkbox"/> NW Indiana | <input type="checkbox"/> SE Michigan | <input type="checkbox"/> Lake St. Clair |
|--|----------------------------------|--|--------------------------------------|---|

Primary Affected Area of Concern: Grand Calumet River/IHC, IN

Other Affected Areas of Concern:

For Habitat Projects Only:

Primary Affected Biodiversity Investment Area: Chicago Wilderness

Other Affected Biodiversity Investment Areas:

Problem Statement:

The Grand Calumet River Area of Concern contains a large quantity of some of the most contaminated sediments in the Great Lakes region. Current remediation and restoration plans include: the U.S. Army Corps of Engineers dredging of the Indiana Harbor and Ship Canal; U.S. Steel Gary Works agreement to dredge and restore a five-mile stretch of the east branch of the Grand Calumet River; and a growing fund for remediation and restoration of the west branch of the river. Agencies, community representatives, and industry have been active in the Remedial Action Plan (RAP) and other multi-stakeholder initiatives focusing on sediment remediation in recent years. However, while many involved in the process have touted the potential economic benefits of sediment remediation and restoration of these important waterbodies, no economic analysis of these benefits has been conducted. Currently, local municipal governments and community stakeholders have no evidence of economic benefits that will result from contaminated sediment remediation. Such evidence will: 1) strengthen the efforts of local decision-makers to match federal clean-up dollars and 2) assist local planners in maximizing the benefits resulting from sediment removal.

Proposed Work Outcome:

SCOPING PHASE

The Delta Institute proposes to collaborate with the Grand Calumet Task Force, Purdue University Calumet, and the Northeast-Midwest Institute to conduct an initial scoping study which would analyze existing economic data, identify data gaps, and determine the most effective economic tools for conducting an assessment of economic benefits of sediment remediation in the Grand Calumet River Area of Concern.

ECONOMIC ASSESSMENT

The Delta Institute and the above-mentioned partners will then conduct the economic assessment. The Delta Institute will coordinate the entire project and work closely with the Grand Calumet Task Force to ensure continual local stakeholder involvement and community engagement in the process. Economists at the Purdue University-Calumet School of Management will provide technical expertise in conducting the analysis. The Northeast-Midwest Institute will provide information and guidance resulting from similar economic valuations being conducted in other Great Lakes Areas of Concern.

COMMUNICATING THE RESULTS

Following the completion of the economic assessment of the benefits of sediment remediation, the Delta Institute and the Grand Cal Task Force will communicate the results to local municipalities, community stakeholders, and the broader public. The Institute and Task Force will present the findings of the analysis in a series of meetings with planners and policy-makers from Gary, Hammond, and East Chicago. This phase of the project will include presentations to the RAP committees and other stakeholder groups. The Delta Institute and the Grand Cal Task Force will also hold public meetings and conduct broader public outreach to relay the results of the economic analysis in order to help communities position themselves to maximize the benefits of the river clean-up.

Finally, results of the assessment in the Grand Calumet River Area of Concern (AOC) will assist the Northeast-Midwest Institute in comparing similar assessments from other AOC's and creating a database of benefits that will transfer across the region.

Project Milestones:**Dates:**

| | |
|---|---------|
| Initiate Scoping Phase | 05/2000 |
| Begin Economic Benefit Assessment | 09/2000 |
| Complete Economic Benefit Assessment | 09/2001 |
| Conduct Outreach to Communicate Results | 10/2001 |
| Project End | 05/2002 |

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☒ **Project Addresses Environmental Justice**

If So, Description of How:

The proposed economics study will have significant benefits for environmental justice. The focus area has large minority populations and poverty levels. According to 1996 estimates, the city of Gary is 80 percent African-American. Almost 30 percent of the population lives in poverty, as do more than 40 percent of the children. The city of East Chicago is 33 percent African-American and 47 percent Hispanic. More than 25 percent of the population lives in poverty, including 39 percent of the children. Hammond is 9 percent African-American and 12 percent Hispanic, with a 13.5 percent poverty level, including more than 20 percent of the children.

The potential economic benefits of sediment removal is especially significant because of the environmental justice concerns raised by the proposed siting of a Confined Disposal Facility (CDF) to store the sediments in East Chicago, half a mile from a high school. Opponents of the proposal have accused the federal government of ignoring its environmental justice guidelines in its support for the CDF siting. To a lesser degree, African-American residents in Gary have raised the same issue in regards to the proposed Corrective Action Management Unit for the U.S. Steel dredging project in the eastern branch of the river. We feel that a better understanding of the economic benefits that these communities will derive from the sediment removal will help us address these concerns.

☒ **Project Addresses Education/Outreach**

If So, Description of How:

Education and outreach will play a significant role in the economics study. The Delta Institute and the Grand Calumet Task Force have already assembled a multistakeholder group with participation from residents, private industry and the City of Hammond to address issues related to the cleanup of the West Branch of the river. We will continue to use this West Branch Partnership to provide input into the economics study and to discuss its findings.

The third phase of the proposed project, "Communicating the Results", includes outreach to policy-makers, municipal governments, community stakeholders, and the public-at-large to convey the results of the economic assessment and educate the community about strategies to maximize the benefits of sediment remediation. This phase will include public meetings, presentations to stakeholder groups, and meetings with municipal governments.

We will also increase our involvement with local schools, particularly high schools and colleges, to make the best possible use of the study. The Delta Institute and the Grand Cal Task Force have already collaborated on an environmental justice project at the East Chicago high school, which has looked at the proposed canal dredging and the siting of the CDF close to the school. These students and teachers will be very interested in the study and will want to help with the research as well as discuss its findings. We will look for opportunities for similar participation at other high schools. With the involvement of economics professors at Purdue University Calumet in the project, we will naturally seek to involve students

at that college and will also use our participation in the Environmental Justice Community Partnership at Indiana University Northwest in Gary to involve students and faculty members from that school.

Project Budget:

| | Federal Share Requested (\$) | Applicant's Share (\$) |
|----------------------------|-------------------------------------|-------------------------------|
| Personnel: | 33,250 | 1,750 |
| Fringe: | 10,829 | 569 |
| Travel: | 380 | 20 |
| Equipment: | 0 | 0 |
| Supplies: | 950 | 50 |
| Contracts: | 137,750 | 7,250 |
| Construction: | 0 | 0 |
| Other: | 475 | 25 |
| Total Direct Costs: | 183,634 | 9,664 |
| Indirect Costs: | 29,052 | 1,529 |
| Total: | 212,686 | 11,193 |
| Projected Income: | 0 | 0 |

Funding by Other Organizations (Names, Amounts, Description of Commitments):

Description of Collaboration/Community Based Support:

Throughout the course of this project the Delta Institute will work closely with the Grand Calumet Task Force, a not-for-profit community environmental organization working to improve the Grand Calumet River and its surrounding urban ecosystem and to achieve environmental justice for the people of Northwest Indiana. The Grand Cal Task Force will assist the Delta Institute to ensure continual local stakeholder involvement and community engagement in the economic assessment.

Dr. Paul McGraff and Dr. Amlan Mitra, economists at the Purdue University Calumet School of Management, will provide technical expertise in conducting the scoping phase and economic analysis.

The Northeast-Midwest Institute (NEMWI) is a Washington-based, private, non-profit, and non-partisan research organization dedicated to economic vitality, environmental quality, and regional equity for Northeast and Midwest states. In the course of the Grand Calumet River project, NEMWI will provide information and guidance resulting from similar economic valuations being conducted in other Great Lakes Areas of Concern. Results from the Grand Calumet economic assessment will be compiled with outcomes from the NEMWI to provide a broader base of data which may then be applied in other communities striving toward contaminated sediment remediation.

The Citizen's Advisory for the Remediation of the Environmental (CARE) Committee is appointed by the Commissioner for the Indiana Department of Environmental Management to advise the agency on development and implementation of the Remedial Action Plan (RAP) for the Grand Calumet River Area of Concern. The Delta Institute and the Grand Cal Task Force will work closely with the CARE Committee in order to ensure that the economic benefits assessment is directly informed by the RAP and to keep the Committee engaged in the entire process.